

# **BC SCHOOL SPORTS**

Burnaby, BC

---

FINANCIAL STATEMENTS

JUNE 30, 2013

# **BC SCHOOL SPORTS**

## **INDEX TO FINANCIAL STATEMENTS**

Auditor's Report	
Statement of Operations	Exhibit A
Statement of Changes in Net Assets	Exhibit B
Statements of Financial Position	Exhibit C
Statement of Cash Flows	Exhibit D
Notes	Exhibit E
Operating Receipts	Schedule 1
Operating Expenditures	Schedule 2
Gaming Receipts and Expenditures	Schedule 3
Insurance Reserve	Schedule 4
Legal Reserve	Schedule 5
Operational Reserve	Schedule 6
Scholarship Reserve	Schedule 7
Sport Commissions Receipts and Expenditures	Schedule 8

# EVA Y. LEE INC.

Chartered Accountant

---

#255-8600 Cambie Road  
Richmond, BC, V6X 4J9  
Tel: (604) 278-2851, Fax: (604) 278-3877  
Email address: [evalee@evaylee.com](mailto:evalee@evaylee.com)

## INDEPENDENT AUDITOR'S REPORT

To the Members of BC SCHOOL SPORTS:

I have audited the accompanying financial statement of BC SCHOOL SPORTS which comprise the Statement of Financial Position as at June 30, 2013 and the Statements of Operations and Changes in Net Assets and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the organization as at June 30, 2013 and the results of its operations for the year then ended in accordance with generally accepted accounting principles. As required by the Society Act of British Columbia, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Eva Y. Lee Inc.



Chartered Accountant

RICHMOND, BC  
December 16, 2013

**BC SCHOOL SPORTS****Exhibit A**

## STATEMENT OF OPERATIONS

For the year ended June 30, 2013

---

	<b>2013</b>	<b>2012</b>
OPERATING RECEIPTS (Schedule 1)	<b>\$ 447,329</b>	\$ 461,188
OPERATING EXPENDITURES (Schedule 2)	<b>338,162</b>	413,718
OPERATING RECEIPTS OVER EXPENDITURES, to Exhibit B	<b>109,167</b>	47,470
GAMING OPERATION, Schedule 3, to Exhibit B	<b>972</b>	602
INSURANCE RESERVE, Schedule 4, to Exhibit B	-	-
LEGAL RESERVE, Schedule 5, to Exhibit B	<b>46,293</b>	(27,892)
OPERATIONAL RESERVE, Schedule 6, to Exhibit B	<b>(124)</b>	(624)
SCHOLARSHIP RESERVE, Schedule 7, to Exhibit B	<b>(1,000)</b>	(3,121)
SPORT COMMISSIONS, Schedule 8, to Exhibit B	<b>23,780</b>	-
EXCESS OF RECEIPTS OVER EXPENDITURES, to Exhibit B	<b>\$ 179,088</b>	\$ 16,435

---

---

\*The accompanying notes are an integral part of these financial statements.

**BC SCHOOL SPORTS****Exhibit B**

## STATEMENT OF CHANGES IN NET ASSETS

For the year ended June 30, 2013

	Unrestricted	Gaming	Reserves			Sport Commissions	2013	2012
			Legal	Operational	Scholarship			
<b>NET ASSETS</b>								
Beginning of year	\$ 51,249	\$ 35,168	\$ 14,172	\$ 18,101	\$ 4,500	\$ -	\$ 123,190	\$ 106,755
Excess (Deficiency) of Receipts over Expenditures, Exhibit A	109,167	972	46,293	(124)	(1,000)	23,780	179,088	16,435
Internal fund transfer	(91,446)	-	-	86,546	4,900	-	-	-
<b>NET ASSETS, to Exhibit C</b>	<b>\$ 68,970</b>	<b>\$ 36,140</b>	<b>\$ 60,465</b>	<b>\$ 104,523</b>	<b>\$ 8,400</b>	<b>\$ 23,780</b>	<b>\$ 302,278</b>	<b>\$ 123,190</b>

\*The accompanying notes are an integral part of these financial statements.

**BC SCHOOL SPORTS**

Exhibit C

## STATEMENTS OF FINANCIAL POSITION

June 30, 2013

	Unrestricted	Gaming	Reserve Funds	Sport Commissions	2013	2012
<b>CURRENT ASSETS</b>						
Cash and term deposits	\$ 69,559	\$ 125,287	\$ 173,388	\$ 15,905	\$ 384,139	\$ 93,617
Accounts receivable	12,696	-	-	7,875	20,571	37,201
Inventory	-	-	-	-	-	869
Prepaid expenses	8,550	-	-	-	8,550	8,810
	<u>90,805</u>	<u>125,287</u>	<u>173,388</u>	<u>23,780</u>	<u>413,260</u>	<u>140,497</u>
<b>PLANT AND EQUIPMENT</b>						
Computers	1,600	-	624	-	2,224	2,848
Furniture and equipment	12,001	-	-	-	12,001	11,131
Equipment under capital lease	17,364	-	-	-	17,364	17,364
	<u>30,965</u>	<u>-</u>	<u>624</u>	<u>-</u>	<u>31,589</u>	<u>31,343</u>
Accumulated amortization	28,893	-	624	-	29,517	27,640
	<u>2,072</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,072</u>	<u>3,703</u>
	<u>\$ 92,877</u>	<u>\$ 125,287</u>	<u>\$ 173,388</u>	<u>\$ 23,780</u>	<u>\$ 415,332</u>	<u>\$ 144,200</u>
<b>CURRENT LIABILITIES</b>						
Accounts payable	\$ 23,907	\$ 2,147	\$ -	\$ -	\$ 26,054	\$ 21,010
Deferred grants	-	87,000	-	-	87,000	-
	<u>23,907</u>	<u>89,147</u>	<u>-</u>	<u>-</u>	<u>113,054</u>	<u>21,010</u>
<b>NET ASSETS</b>						
Net assets (Exhibit B)	68,970	36,140	173,388	23,780	302,278	123,190
	<u>\$ 92,877</u>	<u>\$ 125,287</u>	<u>\$ 173,388</u>	<u>\$ 23,780</u>	<u>\$ 415,332</u>	<u>\$ 144,200</u>

\*The accompanying notes are an integral part of these financial statements.

Approved by:

\_\_\_\_\_

**BC SCHOOL SPORTS**

Exhibit D

## STATEMENT OF CASH FLOWS

For the year ended June 30, 2013

---

	2013	2012
Cash flows from operating activities		
Membership, fundraising and grant receipts	\$ 743,158	\$ 553,072
Interest received	206	314
Membership and administrative expenses	(451,973)	(564,483)
	<u>291,391</u>	<u>(11,097)</u>
Cash flows from investment activities		
Short term and long term investments	(869)	-
	<u>(869)</u>	<u>-</u>
Change in cash and cash equivalents	290,522	(11,097)
Cash and cash equivalents at beginning of year	93,617	104,714
	<u>384,139</u>	<u>93,617</u>
Cash and cash equivalents, end of year	\$ 384,139	\$ 93,617
	<u>384,139</u>	<u>93,617</u>
Represented by:		
Unrestricted cash	\$ 69,559	\$ 33,684
Restricted cash	314,580	59,933
	<u>384,139</u>	<u>93,617</u>
Cash and cash equivalents, end of year	\$ 384,139	\$ 93,617
	<u>384,139</u>	<u>93,617</u>

---

---

## NOTES

For the year ended June 30, 2013

---

**Note 1 GENERAL**

---

BC School Sports provides leadership for and services to schools in the Province of British Columbia. The Society's mission statement is:

"BC School Sports is a membership based organization of schools. We fulfill our mission by:

- promoting student participation in extra-curricular activities.
- assisting schools in the development and delivery of their programs.
- providing governance for inter-school competition."

BC School Sports is incorporated under the laws of British Columbia as a not-for-profit society and is a registered charity under the Income Tax Act.

---

**Note 2 SIGNIFICANT ACCOUNTING POLICIES**

---

**Fund accounting**

BC School Sports follows the deferral method of accounting for contributions.

The General Fund accounts for the Society's program delivery and administrative activities. This fund reports unrestricted resources and operating grants.

The Gaming Fund accounts for funding from the Province of BC, Ministry Responsible for Gaming, for program expenses as approved by the Gaming Policy and Enforcement Branch.

The Legal Reserve accounts for levies restricted for legal expenses.

The Scholarship fund is designated to provide support to qualifying candidates.

The Society has internally restricted an Operational Reserve for contingencies and capital asset replacements.

The Track & Field, Cross Country, and Mountain Biking Commission funds are held in favor of the Sport Commissions. The Society provides assistance in accounting and management of the funds. A fee is received for the administrative services.

**Plant and Equipment**

Plant and equipment are accounted for at cost. Amortization is based on their estimated life using the following rates and methods:

Computers	- 3 year straight-line
Equipment	- 20 percent declining balance
Furniture and fixtures	- 20 percent declining balance



## NOTES

For the year ended June 30, 2013

- 2 -

---

**Note 2      SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

---

**Inventory**

Inventory is recorded at cost, cost is determined on a first-in, first-out basis.

**Deferred contributions**

BC School Sports follows the deferral method of accounting for contributions. Deferred contributions are goods donated to the Society that will be used in the subsequent periods.

**Use of estimates**

The preparation of financial statements in accordance with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The most significant areas requiring management estimates and assumptions include the estimate of useful lives of equipment for calculating amortization and the determination of contingent liabilities.

**Revenue Recognition**

Membership dues and advertising are recognized as revenue in the year to which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted funds.

Unrestricted contributions, sponsorships and other revenues are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

**Contributed materials and services**

Contributed materials and services used in the normal course of operations are recognized when a fair value can be reasonably estimated. Volunteers contribute about 45,000 hours per year to assist the Society in carrying out its administrative activities. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

**Financial instruments**

Items that meet the definition of a financial instrument include cash and term deposits, accounts receivable, and payables and accruals. With the exception of term deposit, which is subject to interest rate fluctuation, the fair values of these items approximate their carrying values. It is management's opinion that the company is not exposed to significant credit, currency or interest rate risk arising from these financial instruments.

## NOTES

For the year ended June 30, 2013

- 3 -

---

**Note 3 COMMITMENTS**

---

Operating leases

The Society has entered into an agreement for office space with a 10 year term that will expire on September 15, 2023, the postage machine with a 3 year term will expire on February 29, 2016, a photocopier with a 4 year term will expire on November 15, 2015 and a phone system with a 2 year term will expire on June 30, 2015. The minimum future payments are as follows:

2014	\$ 20,746
2015	25,086
2016	21,898
2017	20,832
2018	20,832
	<hr/>
	\$ 109,394

---

Leasehold Improvements

The Society has relocated to new premises and the leasehold improvements of \$60,487 incurred subsequent to yearend has not been recognized in the current fiscal year. However, as part of the lease agreement for the new premise, the Society received \$ 34,720 tenant improvement allowance. The allowance will be used fully to offset the \$ 60,487 improvement cost in the forthcoming year.

**BC SCHOOL SPORTS**

Schedule 1

## OPERATING RECEIPTS

For the year ended June 30, 2013

---

	2013	2012
MEMBERSHIP FEES		
Annual fee	\$ 395,422	\$ 416,626
PUBLICATIONS	12,690	7,420
CHAMPIONSHIPS	14,325	15,041
DONATIONS	297	65
GRANT	3,767	-
OFFICIAL SUPPLIERS	-	1,250
PROGRAMMES	7,950	10,925
PROMOTION AND RECOGNITION	-	(1,500)
SALES PROGRAMME	4,919	4,205
MISCELLANEOUS	7,790	6,876
INTEREST	169	280
Total Operating Receipts, to Exhibit A	\$ 447,329	\$ 461,188

---

---

\*The accompanying notes are an integral part of these financial statements.

**BC SCHOOL SPORTS**

Schedule 2

## OPERATING EXPENDITURES

For the year ended June 30, 2013

---

	2013	2012
STAFF EXPENSES	\$ 189,363	\$ 186,701
MEETINGS		
AGM	7,990	1,916
CSSF	-	4,846
Others	8,022	18,047
ADMINISTRATION		
Amortization of tangible capital assets	1,876	8,371
Bad debt	5,057	-
Board expenses	1,033	1,338
Compliance officer expenses	1,570	-
Executive director expenses	7,016	4,324
Administration fees	5,282	2,170
Insurance	-	45,735
Rent	1,514	2,016
Postage and deliveries	6,345	7,386
Professional fees	5,992	14,209
Supplies and equipment	6,824	9,878
Telephone	7,254	103
MEMBERSHIP		
Affiliations	1,125	-
Commissions	55,617	76,150
PROJECTS		
Banners	309	1,408
Championship programs	15,808	14,104
Coaches recognition	276	2,599
Football books	2,657	3,131
Fundraising	-	3,535
Medals	6,350	-
PUBLIC RELATIONS	882	5,751
Total Operating Expenditures, to Exhibit A	\$ 338,162	\$ 413,718

---

\*The accompanying notes are an integral part of these financial statements.

**BC SCHOOL SPORTS**

Schedule 3

## GAMING RECEIPTS AND EXPENDITURES

For the year ended June 30, 2013

	2013	2012
<b>RECEIPTS</b>		
Direct access	\$ 137,000	\$ 89,500
Interest	37	34
	<u>137,037</u>	<u>89,534</u>
<b>EXPENDITURES</b>		
<b>ADMINISTRATIVE</b>		
Coaching expenses	200	-
Contractor fee	5,500	20,035
Office rent	11,127	10,636
Meeting expenses	-	8,046
Salaries and wages	19,817	14,051
Telecommunication	-	6,010
<b>MEMBERSHIP SERVICES</b>		
BCSS handbook	5,719	6,617
Computer maintenance and upgrades	5,655	2,588
Recognition	1,808	-
Wall calendar	2,603	-
Website upgrade	12,915	-
<b>PROGRAMS</b>		
NCCP-CABC	-	1,791
<b>CHAMPIONSHIPS</b>		
Facilities/Officials/Equipment	25,011	19,158
<b>INSURANCE</b>	45,710	-
	<u>136,065</u>	<u>88,932</u>
<b>EXCESS OF RECEIPTS OVER EXPENDITURES, to Exhibit A</b>	<b>\$ 972</b>	<b>\$ 602</b>

\*The accompanying notes are an integral part of these financial statements.

**BC SCHOOL SPORTS**

Schedule 4

## INSURANCE RESERVE

For the year ended June 30, 2013

---

	<b>2013</b>	2012
RECEIPTS	\$ 4,850	\$ 4,050
INSURANCE DISBURSEMENTS	4,850	4,050
<b>EXCESS OF RECEIPTS OVER EXPENDITURES, EXHIBIT A</b>	<b>\$ -</b>	<b>\$ -</b>

---

---

\*The accompanying notes are an integral part of these financial statements.

**BC SCHOOL SPORTS**

Schedule 5

## LEGAL RECEIPTS AND EXPENDITURES

For the year ended June 30, 2013

---

	<b>2013</b>	2012
LEVY	<b>\$ 53,125</b>	\$ -
LEGAL FEE DISBURSEMENTS	<b>6,832</b>	27,892
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENDITURES, EXHIBIT A</b>	<b>\$ 46,293</b>	\$ (27,892)

---

---

\*The accompanying notes are an integral part of these financial statements.

**BC SCHOOL SPORTS**

Schedule 6

## OPERATIONAL RESERVE

For the year ended June 30, 2013

---

	<b>2013</b>	2012
<b>RECEIPTS</b>		
Donation	\$ <b>500</b>	\$ -
<b>EXPENSES</b>		
Amortization of assets	<b>624</b>	624
<b>DEFICIENCY OF RECEIPTS OVER EXPENDITURES, EXHIBIT A</b>	<b>\$ (124)</b>	\$ (624)

---

---

\*The accompanying notes are an integral part of these financial statements.



**BC SCHOOL SPORTS**

Schedule 7

## SCHOLARSHIP RECEIPTS AND EXPENDITURES

For the year ended June 30, 2013

---

	<b>2013</b>	2012
RECEIPTS		
Scholarship	<u>\$ 750</u>	<u>\$ 879</u>
SCHOLARSHIPS PAID		
Rugby Scholarship	750	1,500
Subway Scholarship	<u>1,000</u>	<u>2,500</u>
	<b>1,750</b>	4,000
<b>DEFICIENCY OF RECEIPTS OVER EXPENDITURES, EXHIBIT A</b>	<b>\$ (1,000)</b>	<b>\$ (3,121)</b>

---

---

\*The accompanying notes are an integral part of these financial statements.

**BC SCHOOL SPORTS**

Schedule 8

## SPORT COMMISSIONS

For the year ended June 30, 2013

---

	<b>Cross Country</b>	<b>Mountain Biking</b>	<b>Track &amp; Field</b>	<b>Total</b>
<b>RECEIPTS</b>				
Championship entry fees	<b>\$ 13,980</b>	<b>\$ 5,820</b>	<b>\$ 30,964</b>	<b>\$ 50,764</b>
Grants and sponsorship	<b>12,350</b>	<b>-</b>	<b>18,600</b>	<b>30,950</b>
Sales	<b>300</b>	<b>-</b>	<b>-</b>	<b>300</b>
	<hr/> <b>26,630</b> <hr/>	<hr/> <b>5,820</b> <hr/>	<hr/> <b>49,564</b> <hr/>	<hr/> <b>82,014</b> <hr/>
<b>EXPENDITURES</b>				
Championship expenditures	<b>16,699</b>	<b>2,671</b>	<b>29,934</b>	<b>49,304</b>
Commission expenditures	<b>-</b>	<b>-</b>	<b>6,281</b>	<b>6,281</b>
Multi-event expenditures	<b>-</b>	<b>-</b>	<b>2,649</b>	<b>2,649</b>
	<hr/> <b>16,699</b> <hr/>	<hr/> <b>2,671</b> <hr/>	<hr/> <b>38,864</b> <hr/>	<hr/> <b>58,234</b> <hr/>
<hr/> <b>EXCESS OF RECEIPTS OVER EXPENDITURES, EXHIBIT A</b>				
	<b>\$ 9,931</b>	<b>\$ 3,149</b>	<b>\$ 10,700</b>	<b>\$ 23,780</b>

---

---

\*The accompanying notes are an integral part of these financial statements.